

WIMBLEDON
EVERT OUT
See Sports, Page 19

Herald Tribune

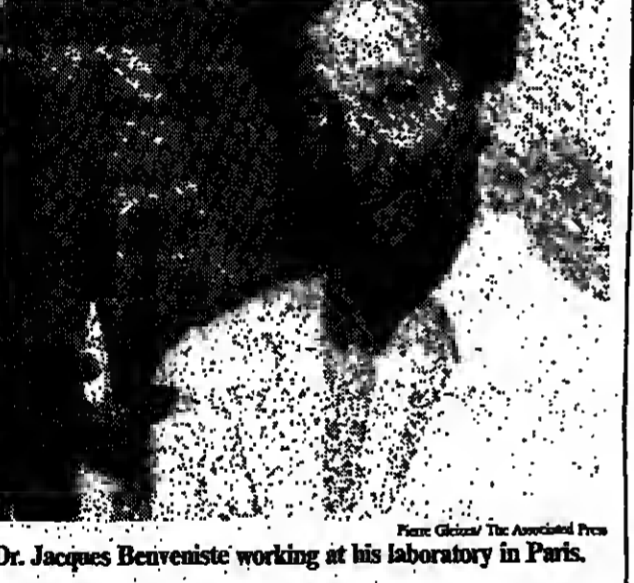
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When Nature Fails To Believe Science

By Philip J. Hilts
Washington Post Service
WASHINGTON — In an unusual episode of scientific publication, the latest issue of the British journal *Nature* indicates research results that the editors do not believe.
Peter Newmark, the deputy editor of *Nature*, said that if the results are true, "we will have to abandon two centuries of observation and rational thinking about biology, because this can't be explained by ordinary physical laws."
The research shows that the immune system's antibodies work even when they are in a solution so diluted that no antibody molecules remain in it.
There is no known physical basis for such action. It would mean there is some bizarre way that the solution could remember the presence of the antibody molecules and act as if they continued to be present.
Mr. Newmark said the results were particularly objectionable because they tend symbolically to support homeopathy — the scientifically discredited practice of using herbs and oils "attuned" to organs to cure ailments in them. Dilution of the remedy and vigorous shaking are prominent in homeopathy.
The authors said that shaking the solution for 10 seconds was essential to their results. Failure to shake it resulted in a failed experiment.
Researchers who worked on



Dr. Jacques Benveniste working at his laboratory in Paris.

the experiment had as much trouble believing their results as the editors. For a year they conducted some 70 different trials in several laboratories with numerous special controls in an attempt to weed out errors and erase the result.
Finally, when there were no more ways to challenge the results, *Nature* published, and will let the scientists argue it out.
"We couldn't find anything wrong," Mr. Newmark said. He felt it would be unfair not to publish the report and let other scientists jump into the debate to try to discover the meaning.
Nature is one of the most respected scientific journals. Its editors could not recall a similar case of deliberate publication of an article that was questionable scientifically.
Reputable researchers from four countries — France, Canada, Israel and Italy — submitted the report. The chief scientist was Dr. Jacques Benveniste, a prominent chemist and pharmacologist at the University of Paris-Sud. Other authors included scientists at the Hebrew University of Jerusalem, the University of Milan and the University of Toronto.

The journal has asked Dr. Benveniste to jump through one more hoop after publication: to allow visiting researchers to watch as he carries out the experiment one more time. He has agreed.

Prelate Defies Vatican

Rebel Archbishop Excommunicated For Consecration

By Loren Jenkins
Washington Post Service
ECONE, Switzerland — In a makeshift tent of a church on a sloping Alpine meadow, ultra-conservative Archbishop Marcel Lefebvre on Thursday triggered the first Roman Catholic Church schism in more than a century by consecrating four traditionalist bishops in open defiance of Pope John Paul II.
The Vatican, as it had warned it would, immediately declared Archbishop Lefebvre's consecration a "schismatic act" because it was done without papal approval. The Vatican said that in accordance with canon law the 82-year-old archbishop and his four new bishops were automatically excommunicated.
Despite dramatic last-minute efforts by John Paul II to stop the French-born Lefebvre from creating the prelate that will perpetuate his arch-traditionalist Fraternity of St. Pius X sect after his death, the renegade archbishop went ahead with the consecration of four bishops.

As such they will be able to continue the ordination of new traditionalist priests as Archbishop Lefebvre has been doing against Vatican orders for more than 11 years to carry out his campaign against the modernizing reforms of the Second Vatican Council held between 1963 and 1965.
Asserting that he was acting to preserve the doctrine of the true church in the face of "catastrophic" trends that he claims were "demolishing" the Catholic Church, Archbishop Lefebvre said that "some day the authorities in Rome will thank us for having preserved this tradition, its doctrine, its faith for the greater glory of God."
"This is an operation of survival for tradition," Archbishop Lefebvre said. "To have done otherwise would have meant operation suicide for everything we believe in."
The fate of the ultra-conservative movement with an estimated 250 priests, 200 seminarians and up to a million followers has yet to be decided by the Vatican, according to sources. The Vatican is hoping to appeal to them not to follow Archbishop Lefebvre in his schismatic sect to avoid the flowering of a rival church as occurred after such schisms as those of Martin Luther, John Calvin and Henry VIII of England.

Archbishop Lefebvre has been a thorn in the side of the Vatican for more than 15 years because of his opposition to the ecclesiastical reforms of the Second Vatican Council.
He has denounced the council's abandonment of the traditional Latin mass which he celebrated on Thursday. He has scorned the council's efforts to give laymen and women more responsible roles in the church and he has openly denounced the council's ecumenical opening to non-Catholic churches.
In an apologia that preceded the ceremonies, Archbishop Lefebvre denounced the "modernism, socialism and Zionism," that he said the church in Rome has adopted since the Second Vatican Council.
"Everything we have condemned," he said to applause from the estimated 5,000 followers, "they, Rome, have adopted."
The pope has vainly sought to bring Archbishop Lefebvre under his control, having the Vatican try to negotiate a compromise with the rebel prelate. But the most promising compromise reached only last May 5, collapsed when Archbishop Lefebvre rejected it because it would have put his movement under the direct supervision of Cardinal Joseph Ratzinger, the pope's unbending guardian of church or-

See SCHISM, Page 4



Archbishop Marcel Lefebvre consecrates Bernard de Mallerias as a bishop on Thursday.

Russian Calls On Gromyko And 3 Others To Step Down

By Gary Lee
Washington Post Service
MOSCOW — A regional Communist Party official declared on Thursday that President Andrei A. Gromyko and three others in the leadership were no longer suited for office because of their service during the period of "stagnation" before Mikhail S. Gorbachev came to power.
The call for the officials to step down came from Vladimir Melnikov, the party leader in the Komi Region near the Ural, who is a delegate to the Communist Party conference on reforming Soviet society.
The conference has ended its third day of debate and deliberation, mostly behind closed doors. Mr. Gromyko, who was foreign minister for more than three decades, was named chairman of the Presidium of the Supreme Soviet in 1985. In that post in the nominal parliament, he is equivalent to a chief of state.
In other speeches at the meeting called to lay out broad reforms, delegates called for a streamlining of government ministries. Some delegates intensified charges that representatives at the conference from Uzbekistan had been involved in bribery.
Apparently frustrated that debate at the conference has skirted the proposals he made in his opening appeal for reforms, Mr. Gorbachev took the floor and urged further debate on his program.
Among his boldest proposals is one for removing the Communist Party, by and large, from direct administrative, economic and governmental functions. He also urged a maximum of two five-year terms for elected officials.
Mr. Melnikov, in his emotional speech to the conference, complained that the officials who had run the Soviet Union during the so-called period of stagnation — referring to the years of 1964 to 1985 under Leonid I. Brezhnev and his two successors before Mr. Gorbachev — were not fit to serve during perestroika, the program of rebuilding Soviet society.
Interrupted by Mr. Gorbachev and asked to give names, the Komi leader listed the following officials: Mr. Gromyko, Mikhail S. Solomentsev, a Politburo member; Victor G. Afanasyev, who is the editor of the party paper *Pravda*, and Georgi A. Arbatov, director of the Institute on the U.S.A. and Canada, a research center.
Shortly after Mr. Melnikov's speech, another delegate defended Mr. Gromyko in a note that was read to the delegates.
Mr. Gromyko has "fallen behind life," the note said, "but he has done his job and his noble deeds are remembered by the people." The note was applauded.
The public attack on leading Soviet officials, unusual even in these times of glasnost, or openness, is characteristic of the mood of candor at the conference. Although the proceedings are closed to the public, the exchange and others were reported in detail by the Soviet press and broadcast services.
The attack captures one of the themes running through many of the 44 speeches that have been given so far at the party conference.
There is bitterness over the pre-Gorbachev period, when little was done for the economic and political development of the rural areas, consumer goods production, health care, education and, especially, food supplies.
Mr. Melnikov, the Komi leader, said that during preparations for the conference his largely rural constituency had given him a "strongly worded mandate" to demand that those who were respon-

Bush States Cold War Is Not Over

By David S. Broder
Washington Post Service
SAN FRANCISCO — Warning that the Cold War is not over, Vice President George Bush has cautioned that it would be a mistake to relax the pace of the U.S. military buildup because of Defense Department procurement scandals or promises of reform in the Soviet Union.
The prospective 1988 Republican presidential nominee said in a speech Wednesday that some of the changes described Tuesday by the Soviet leader, Mikhail S. Gorbachev, in his address to the Communist Party conference in Moscow, "would be truly revolutionary and mean historic change."
However, he said, it is too soon to know if the change would be real or lasting. "We can know that the promise of glasnost, of perestroika, didn't take place in a vacuum," said Mr. Bush, "but in the context of reinvigorated American strength."
Because the United States pulled out of the "malaise economy" of the 1970s, rebuilt the military, backed resistance to Communist expansion in Third World countries and pressed the development of the Strategic Defense Initiative, the Soviet Union was forced to concede that it could not win the world competition, he said.
Mr. Bush did not refer to his prospective Democratic opponent, Governor Michael S. Dukakis of Massachusetts, but later he told reporters that he and Mr. Dukakis have "a distinct difference" on U.S.-Soviet relations. "I think he thinks that most of the changes in the Soviet Union on arms control came about because of their economy. I don't believe that," Mr. Bush said.
He acknowledged that the Soviets may feel the economic strain of devoting as much as one-fifth of their productive capacity to the military, but he asserted that they have always managed to cope with those high percentages. What has changed, he said, is that "eight years of American strength and resolve have confronted the Soviet Union with the true costs of aggression and necessity of reform."

Gorbachev's Scenario Has Role for Him

By Bill Keller
New York Times Service
MOSCOW — Mikhail S. Gorbachev, the Soviet leader, has offered his people the design for a prodigious new political contraption, and few doubt that he intends to be its driver.
The proposal he outlined Tuesday in his opening speech to the Communist Party conference is a blueprint for a new Soviet government, headed by a president — almost certainly it would be President Gorbachev — who would hold real power over domestic and foreign policy.
There is not much mystery about what Mr. Gorbachev is up to.
He hopes to free himself from the constraints imposed by his more conservative colleagues in the Communist Party leadership and in the balky party bureaucracy, widely accused of hampering the economic and social restructuring that Mr. Gorbachev calls perestroika.
But as with his jerry-built economic machine, which is now faltering from early design flaws and an unexpectedly rough road, the question is whether Mr. Gorbachev can control what he has set in motion.
The design for a new government is an elaborate balancing act between party control and popular democracy.
He proposed a huge new super-legislature, called the Congress of People's Deputies, composed of 1,500 delegates elected in districts nationwide, with 750 additional seats allotted to Communist Party committees, trade unions, artistic organizations and others.
This congress would in turn select a standing legislature of 400 to 450 members, and a president to oversee it.
Mr. Gorbachev, who is general secretary of the party, had not said he wants the post of president, and his close Politburo ally and propaganda chief, Alexander N. Yakovlev, was coy on the subject.
"I do not favor prophecies of any sort," he said at a news conference. "We will wait and see."
But no one who was watching Mr. Gorbachev this week harbored serious doubts.
"I am for giving this general secretary full presidential powers," said Yuri D. Chernichenko, an official of the Union of Soviet Writers and a delegate, expressing the word "this." He seemed rather baffled that anyone would bother to ask.
Mr. Gorbachev's personal stature was evident in the thunderous applause when Mikhail A. Ulyanov, a captivating actor best known for his portrayal of Lenin, pleaded for just one exception to a strict 10-year limit of service.
Mr. Gorbachev alone, he said, should have 15 years. "It's a social revolution going on, and we should not change horses in midstream," he declared.
By assuming the role of president, Mr. Gorbachev would be able to claim a mandate not only from the party but from the society at large. The added authority would, perhaps, make it easier for him to press his programs without first waffling them to fit the consensus in the Politburo.
As president, he would also

NEWS ANALYSIS

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Mikhail S. Gorbachev talks with delegates before the third day of reform talks in the Kremlin.

Kiosk

Paris Reopens Rainbow Case

PARIS (AFP) — Prime Minister Michel Rocard's Socialist government will reopen its file on the affair of two French agents involved in the sinking of the Greenpeace flagship Rainbow Warrior in New Zealand.
Foreign Minister Roland Dumas said in a radio broadcast that Mr. Rocard will again look into the case of the two convicted agents, who were brought back to France by the conservative government of Prime Minister Jacques Chirac over New Zealand's protest. They had been sent to the French-ruled atoll of Hao to serve their sentences instead of in prison in New Zealand.

FRANCE ITALY
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Lyon
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Nantes
Paris
Orleans
Rennes
Strasbourg
Nancy
Metz
Luxembourg
L.E.P. 1981-82

is today's Côte d'Azur as good as it used to be? Roger Collis reflects on the question. In Travel, Page 11.

General News

Reagan's presidency rates high in new national poll. Page 3.
The Japanese defense minister said in Jakarta that Tokyo's military buildup was purely defensive. Page 2.
Street vendors are disappearing from Hong Kong. Page 4.
Business/Finance
U.S. foreign debt grew to \$368 billion in 1987 as the country remained the world's largest debtor. Page 9.

Dow Close 19.73
The Dollar In New York
DM 1.814
£ 1.7105
¥ 133.025
FF 6.117

Bundesbank Raises Rates To Aid Mark

By Ferdinand Protzman

FRANKFURT — West Germany raised key interest rates Thursday, as expected, triggering increases elsewhere in Europe.
A half-point increase in the Bundesbank's discount rate was followed by interest-rate increases in Switzerland, the Netherlands, Belgium and Austria. Britain had raised its key interest rate Tuesday.
Economists said the action was likely coordinated with the U.S. Federal Reserve, which moved Thursday to head off a spike in short-term interest rates.
The West German central bank's policy-setting council raised the discount rate to 3 percent from a post-war low of 2.5 percent at its regular meeting Thursday, saying the monetary-policy relaxation that followed the global stock market crash was no longer justified.
The move is intended to shore up the Deutsche mark and curb inflationary pressures.
The council also raised the rate on the Bundesbank's securities purchase operations to 3.75 percent from 3.5 percent, the second increase in the past two weeks. It left the little-used Lombard rate unchanged at 4.5 percent. The changes take effect Friday.
West German financial markets had expected the increase and despite Bundesbank dollar sales in afternoon currency-market dealing, it provided almost no support for the mark, traders said. Current market sentiment remains broadly bullish on the dollar, they added.
Economists said the Bundesbank's rate increase, coinciding with a recent worldwide rise in interest rates, was a signal to world financial markets that the bank wants to check the mark's recent decline, the dollar's rise and the subsequent flow of capital out of West Germany.
J. Paul Hornig, an economist with Smith Barney International Economics in Paris, said: "The Bundesbank does not want the market to drive the dollar up to the point where the global economic adjustment process is slowed down or reversed."

The Bundesbank amplified its signal immediately after the interest-rate announcement by selling dollars for marks. But the dollar showed little reaction to several reports.
See RATES, Page 17

On TV, Socialist Berates Pinochet and Stuns Chile

By Shirley Christian

SANTIAGO — In a country awakening politically from 15 years of military rule, the television debut of Ricardo Lagos hit with the force of an earthquake.
It shocked some, thrilled some, and infuriated General Augusto Pinochet.
It also created a political stir, a man generally viewed as the most capable of reviving socialism in Chile, probably of a less radical variety than that once tried by Salvador Allende.
Until that televised moment, Mr. Lagos was just one of dozens of opposition leaders with marginal name recognition.
But in the midst of the live hour-long interview program, he looked into the camera, pointed a finger and, with a strong oratorical voice, directed his words to General Pinochet. He reminded him that eight years ago he had said he did not intend to seek re-election.
"And now," Mr. Lagos said, still seeming to speak directly to General Pinochet,

"you promise the country eight more years, with torture, assassination and violation of human rights. To me, it seems inadmissible that a Chilean is so ambitious for power as to pretend to hold it for 25 years."
As the interviewers tried to interrupt, he brushed them aside, saying: "You'll have to excuse me. I speak for 15 years of silence."
A man close to presidential advisers said General Pinochet was "climbing the wall that night" after watching the interview.
But after deliberating the next day, during which some expected Mr. Lagos to be arrested, General Pinochet and his strategists decided instead to try to turn Mr. Lagos's new prominence and his ties to the 1970-73 Allende government to their benefit.
Dubbing Mr. Lagos as the "Face of the No," they have sought to convince Chileans that voting against General Pinochet later this year will be an invitation to the return of the inflation, shortages, property confiscations and general chaos associated

with the Allende era that ended with the 1973 military coup.
But Ricardo Lagos, a 50-year-old economist educated at Duke University in the United States, is seen as a different kind of socialist than Mr. Allende.
He is grudgingly admired by both U.S. diplomats and Chilean businessmen and many consider him Chile's most quick-witted and quotable politician. But they cannot decide if he would preside over the birth of a moderate Chilean socialism in the way Felipe González did in Spain.
"I hope I'm not wrong," a leading Chilean businessman said, "but I see Ricardo Lagos as the modern socialist, someone concerned with social justice but not someone who is going to re-create an immense state apparatus."
"It's difficult to ask him to renounce Marxism now," he said, "because first he has to have command of the left."
"He had no history as a politician during the Allende period, so the television appearance was his first opportunity to be-

come a national figure. He used it to make clear he is the undisputed leader of the left. He was not concerned about his impact on Pinochetists."
Mr. Lagos gets exasperated at the speculation over how much Marxism fits into his thinking. He says he cannot understand "why no one ever asks if I'm a Keynesian" since he uses Keynes as a way of understanding macroeconomics.
"It is possible to be a Marxist-Keynesian?" he asked rhetorically.
"Chile is a country with a long leftist tradition," he said, "and there is a need here for a mature, sensible, modern socialism that would be an option in the alternative of power."
"In regard to Marxism, I always say the Socialists should never have abandoned what the founders said: that Marx should be used as a method to interpret a reality, enriched and rectified by other branches of the social sciences."
Although many consider him the con-



HATS ON AT HENLEY-ON-THAMES — A young man sells boaters at the 149th Henley Royal Regatta, still a high spot of the English summer social season and the most important event of the rowing calendar, where straw hats and striped blazers are still the fashion order of the day.

EUROPEAN TOPICS

A Joint World's Fair Across Iron Curtain?

Vienna and Budapest, once the twin capitals of the Austro-Hungarian Empire, are planning to stage a joint World's Fair in 1995. A bid to be co-hosts for the fair has been submitted to the Paris-based International Bureau for Expositions. It would be the first world exposition held in an East bloc country, and the first staged simultaneously in two cities. The 1992 World's Fair was planned in Chicago and Seville, Spain, but Chicago dropped out because of financial problems.

A feasibility study by the U.S. engineering and construction company Bechtel Group Inc., commissioned by Austria and Hungary, was completed this week. The report said the two-city fair would carry a strong "curiosity factor" and attract about 20 million visitors, according to a spokesman for the Austrian Foreign Ministry. Bechtel's suggested theme is: "Bridges to the Future."

Plans include the construction of a highway and a high-speed railroad linking the two cities, which are 220 kilometers (135 miles) apart. Border formalities would be dropped. Vienna and Budapest are now surveying sites and financing. They expect to

complete plans for the project by September, the spokesman said. Marie-Hélène Defrene, secretary-general of the International Bureau for Expositions, said proposals by Austria, Hungary or any other countries considering World's Fairs before the year 2001 must be submitted by Nov. 20.

Britain Tells Britons To Behave Abroad

Britain, in an attempt to improve the reputation abroad of its tourists — including English soccer hooligans — has launched a campaign to teach British travelers how to stay out of trouble.

Tim Eggar, a junior minister in the Foreign Office, has announced a television campaign of eight films, each lasting about a minute, on the theme "Get it right before you go." One commercial shows a tourist who ends up in prison after a drunken night, only to find that the local British consul cannot bail him out. A series of leaflets offers advice on health and travel insurance, local laws and pickpockets.

The number of British citizens currently in foreign prisons is more than 1,900, up 36 percent from last year, according to Foreign Office figures. About one-third of these are held on drug charges. Of the 27.5 million tourists expected to go abroad this year, 8 million are due to go to Spain. "At any one time, half of the police cells" in the Spanish resort Benidorm "are occupied by British citizens," Mr. Eggar said.

Around Europe

Dublin's barmen have voted to go on strike July 9 over the abolition of the so-called "Holy Hour," the one-hour afternoon break when pubs are closed. The Irish government, saying the Holy Hour is old-fashioned and confusing to tourists, has passed a new licensing law allowing pubs to stay open from 10:30 A.M. to 11:30 P.M. But the city's 4,000 barmen, claiming they are overworked, are demanding an increase of 20 Irish pounds (\$29) a week for working nonstop. The Holy Hour dates back to a 1927 law under which all pubs in Dublin and Cork had to close from 2:30 to 3:30 P.M. The measure was introduced to discourage all-day drinking. But it is an open secret that some pubs close their doors without dislodging their customers.

The demolition of Berlin's Spandau Prison has been completed, The New York Times reports. Rudolf Hess, a longtime Hitler deputy convicted as a war criminal, was Spandau's only remaining prisoner for more than 20 years until his death in August last year. Although debris was removed under police protection to keep it from falling into the hands of neo-Nazis, a handful of stolen bricks have been sold as souvenirs for up to \$400 apiece. The British Military Government, which controls the site, plans to build a canteen, swimming pool and squash court for service personnel on the lot.

Sytske Looijen

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Iraq Reports Recapture Of a Key Border Town

BAGHDAD — Iraq said its forces recaptured a northern border town Thursday after a year of Iranian occupation and attacked a major gas plant in southern Iran.

A High Command communiqué said the 1st Army Corps, took Mawat, a Kurdish garrison town 300 kilometers (190 miles) north-east of Baghdad, in a 19-hour battle.

It was the latest in a series of battlefield setbacks for Iran since Iraq recaptured its strategic southern Fao peninsula in April after Iranian forces had held it for three years.

Another Iraqi communiqué said air force jets flew a round trip of 1,500 kilometers Thursday to attack what it termed Iran's biggest gas production plant on the mainland near Lavan Island in the southern Gulf.

It said jets also pounded installations at the Cyrus oil field in the northern Gulf.

The Mayon communiqué said border posts at Ogarta and Korman and 15 mountain peaks near the garrison town were seized in Thursday's fighting.

Iraqi forces also captured 10 out-

er peaks in the Kashan, Mirava and Kolan areas, it added.

Iraq said the gas facility hit on Thursday had been built by foreign companies, which it did not name.

It said the attack was a huge blow that would have a major impact on Iran's economy and its revenues.

The Tehran radio said Iraqi planes raided an industrial center in the coastal province of Bushire on Thursday, damaging the plant and killing or wounding several workers.

Iran has been developing a huge gas field in the Kangan area on the Gulf coast in Bushire about 150 kilometers northeast of Lavan Island.

The radio did not specify the name of the raided installation, however.

Iraq's main target in Bushire in the past has been an unfinished nuclear power plant, hit several times in the course of the war.

On Wednesday, marine insurance brokers in London said the world's biggest vessel, the 564,739-ton tanker Seawise Giant, had been declared a total loss.

It was hit by Iraqi jets raiding Iran's Larak Island in May.

Boost in Berlin Flights Draws Mixed Welcome

By Robert J. McCartney

BONN — A planned sharp increase in air traffic to West Berlin, announced this week by the West, marks the first substantive accomplishment of President Ronald Reagan's year-old initiative to stimulate the isolated city's economy and cultural life.

The move has drawn a mixed welcome from West Berliners and West Germans.

The United States, Britain and France still hold ultimate responsibility for West Berlin under agreements negotiated with Moscow at the end of World War II.

During a trip to West Berlin a year ago, Mr. Reagan announced a four-point program to help develop the divided city's potential as an international meeting place and a link between East and West.

He urged increasing air service for both East Berlin and West Berlin to help attract more international conferences, expanding Berlin youth exchanges and, also, holding a summer Olympics in both sectors.

Britain and France endorsed the plan, and the three Western allies submitted it to the Soviet Union on New Year's Eve. So far, Moscow has said only that it is considering the plan. Now, the West has acted.

The agreement, reached after hard bargaining among the allies, adds as many as 314 round-trip flights a week between West Berlin and West Germany to the current 534. The number of seats could double, U.S. officials said, because larger planes are expected to be used.

The West Berlin mayor, Eber-

hard Diepgen, praised the increase in service but warned about the danger of "ravenous competition." The city is worried that some routes eventually will be abolished.

Editorials in two left-of-center West German newspapers strongly criticized the decision. "Critics fear with good reason that if it comes to a ravenous competition, more flights will be canceled than added," said Munich's Süddeutsche Zeitung.

Frankfurter Rundschau called the measure "almost a classic imperialistic attack by the United States, which wants to use its status in Berlin as a gateway to get a firm foothold in the air travel business of this continent for 1992, when restrictions on prices and choice of airlines will be lifted."

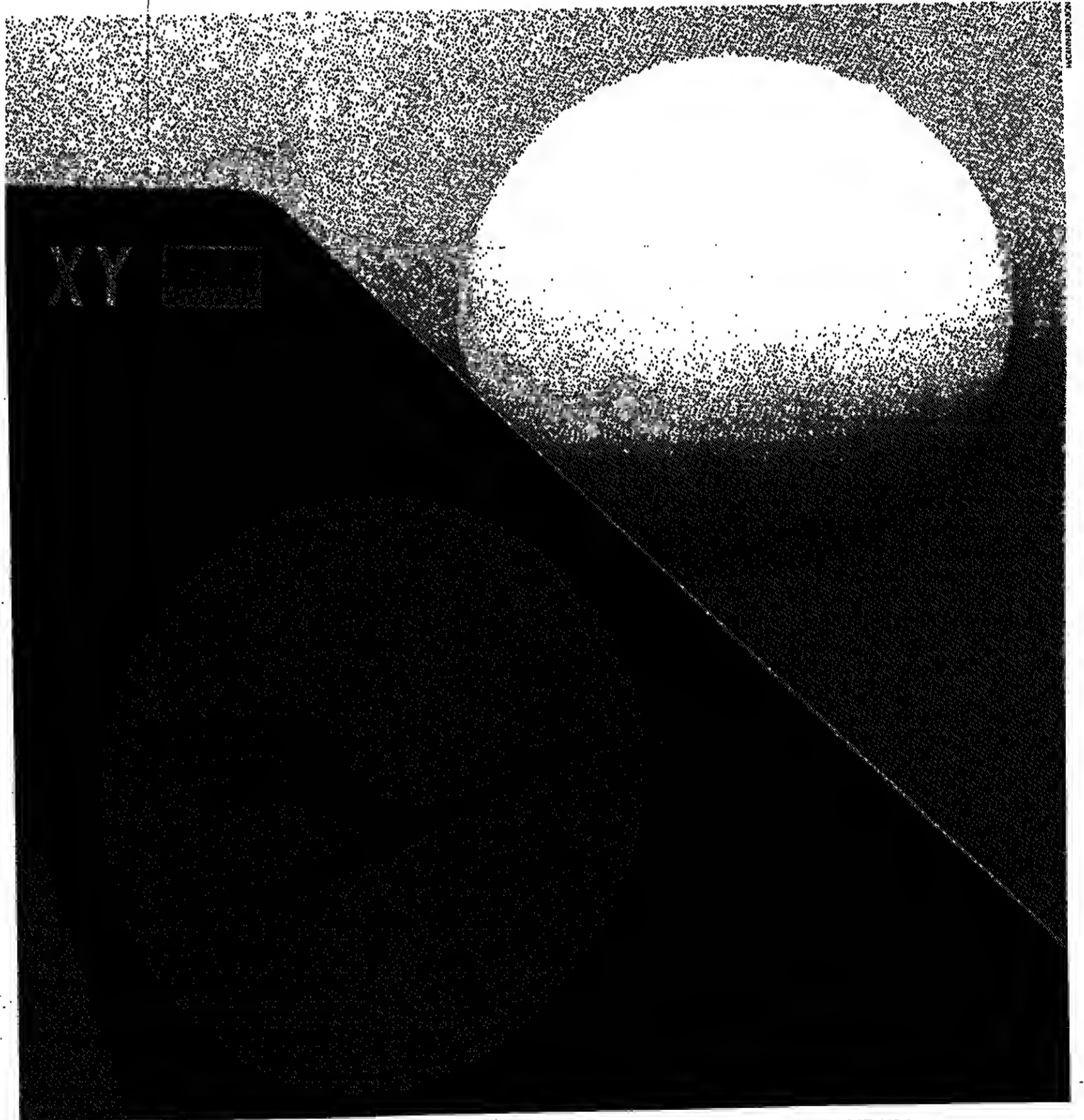
The decision represents a breakthrough for the West German airline Lufthansa, which is to receive for the first time a stake in the lucrative Berlin air routes.

In the past, the Western allies resisted allowing Lufthansa to fly to West Berlin. They feared that such permission for a coalialed airline might weaken the West's legal position justifying its right to the three air corridors.

Lufthansa now is to own a large, minority share of a new airline in which Air France will have more than 50 percent of the stock. That airline will fly to West Berlin, and the allies are insisting that it is a French company despite Lufthansa's share.

In addition to the French-German airline, American Airlines and Trans World Airlines received rights, for the first time, to fly to West Berlin. The other major carriers serving the city are British Airways, Air France and Pan American World Airways.

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Lufthansa now flies twice a week nonstop from Frankfurt to Tokyo via the U.S.S.R. route in 11 1/2 instead of 17 1/2 hours.

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Herald Tribune

Yes, Special Prosecutors

For the Reagan administration, it was humiliating. For almost everyone else, Wednesday's Supreme Court decision on special prosecutors deserves celebration...

The Judge Is Moving

When the Iran-contra defendants were indicted last March, it was expected that the pretrial maneuvering and the trial itself might take a couple of years...

Other Comment

Cut Out the Brinkmanship
The Philippines and the United States are playing a dangerous game of brinkmanship. Each side wants to impress the other that it can do without a new agreement...

Business Isn't Understood

According to Robert Peterson, a professor at the University of Texas, only about a third of the U.S. population can give a remotely accurate definition of the word capitalism...

Talking Security With Japan

The current visit of Tsutomu Kawara, director-general of Japan's Defense Agency, to Indonesia should be viewed in the context of Japan's growing awareness of its multiple interests as a world power...

Gamble on Gorbachev? Some Elect to Pass

NEW YORK — There stood Mikhail Gorbachev, delivering a three-hour harangue to the first emergency conflagration of the Communist Party in a half century...

Rockers, Too, Want a Changed Soviet Union

BETHESDA, Maryland — The Soviet struggle for change is taking place not only at the Communist Party conference in the staid atmosphere of the Kremlin Palace of Congresses but also in rock clubs and concert halls all across the country...



Limiting Nuclear Navies Will Be the Next Step

WASHINGTON — The tide is starting to turn against the naval arms race in the oceans. This change is not before time. New nuclear weapons, particularly long-range sea-launched cruise missiles, are being manufactured and deployed in the U.S. and Soviet navies...

For a Ban on Nuclear Cruise Missiles at Sea

LIMITING cruise missiles aboard U.S. and Soviet submarines and surface ships is the major issue delaying the treaty on reducing strategic arms that President Reagan seeks before leaving office. The solution lies in a verifiable ban on all sea-launched cruise missiles...

Nuclear Arms at Sea Worry Indonesia

A PART from the fact that no less than one-third of the world's nuclear arsenals are destined for naval deployment, the distinguishing feature of sea-based nuclear forces is their ability to proliferate geographically throughout the world and to be deployed along any coastal point...

OPINION

Democrats May Inherit The Flags

By Richard Reeves

NEW YORK — This is going to be a great year for the flag business. American flags. Truckloads of them are heading south right now. Democrats want to wave them at their convention in Atlanta this month...

By Stuart Anderson

that many benefits — the samovar and classical ballet, for example — also reached Russia via the West. Writing in an official Soviet journal, sociologists argue that rock is not a corrupting influence but a reflection of Soviet youth's alienation from society...

No, Sire, Yes Investigation

NEW YORK — The most audacious effort in generations to evaluate presidential power of the executive branch has been decisively turned back. The Supreme Court's decision on Wednesday...

The Goodbyes Pile Up

THE president is saying the farewell words of a man who has spent his life in public service. "Here's my last word when you're leaving," he says. "I'm going to miss you, but I'm glad you're going."

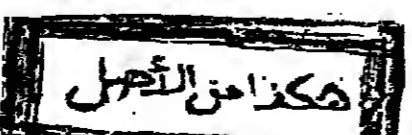
FRESH

Now in the 1988 updated edition, almost 20 years of information in English on the most important French companies and their subsidiaries in the Paris Bourse directory of French financial profiles include...

100, 75 AND 50 YEARS AGO

- 1888: Cayenne Convicts
1938: On Modern War
1913: Gettysburg Men

INTERNATIONAL HERALD TRIBUNE
JOHN HAY WHITNEY, Chairman 1958-1982
KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER, Co-Chairmen



هكذا من الظاهر

OPINION

No, Sire, You Can't Manage Investigations of Your Reign

By Anthony Lewis

NEW YORK — The most audacious effort in generations to exalt the constitutional power of the president has been decisively turned back. That is the large meaning of the Supreme Court's decision on Wednesday in the independent counsel case.

The Goodbyes Pile Up

THE president must have the feeling that someone is saying, "Here's your hat. When are you leaving?" The goodbyes are piling up even though he has six months left in office.



LETTERS TO THE EDITOR

The Palestinian Problem and the 'Jordanian Solution'

In "Waiting for the Second Round in Jordan" (Opinion, June 21), William Safire reveals not only his bias toward Israel but also a determination to carry out a vindictive attack against everything Arab.

If You Don't Rate a Museum You Might Try the Pyramid

By Dave Barry

MIAMI — I have exciting news for you consumers out there whose future plans include, at some point, death. This news came to me in a mailing from a company in Salt Lake City named "Summum," which is offering an important new service: mummification.

MEANWHILE Summum was founded in 1975 by a man named Claude Nowell (rhymes with "Flawed Trowel"), who in 1980 changed his name, not surprisingly, to "Amen Ra."

FRENCH COMPANY HANDBOOK 1988. Now in the 1988 completely revised and updated edition, almost 200 pages of indispensable information in English on a selection of 85 of the most important French companies...

Save up to 40% or more off the newsstand price when you subscribe for 12 months to the International Herald Tribune. Includes a table with subscription rates for various countries and a coupon for ordering.

Democrat May Inherit The Flag... 1938: On Model... PARIS —

NYSE Most Actives table with columns: Vol, High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 p.m. volume, AMEX 4 p.m. volume, etc.

NYSE Index table with columns: High, Low, Close, Chg.

Thursday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: Class, Prev.

NASDAQ Index table with columns: Close, Chg.

AMEX Most Actives table with columns: Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Class, Chg.

NYSE Diary table with columns: Class, Prev.

Odd-Lot Trading In N.Y. table with columns: Date, Buy, Sell, etc.

Dow Jones Averages table with columns: Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns: High, Low, Close, Chg.

NASDAQ Diary table with columns: Class, Prev.

AMEX Stock Index table with columns: High, Low, Close, Chg.

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Most Actives (continued) table with columns: Vol, High, Low, Last, Chg.

NYSE Gains as Quarter Ends

NEW YORK — Prices on the New York Stock Exchange rose broadly Thursday in heavy trading, boosted by aggressive end-of-quarter buying in a market dominated by strategies aimed at capturing hefty dividends in selected issues.

NYSE Most Actives (continued) table with columns: Vol, High, Low, Last, Chg.

NYSE Most Actives (continued) table with columns: Vol, High, Low, Last, Chg.

NYSE Most Actives (continued) table with columns: Vol, High, Low, Last, Chg.

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NYSE Most Actives (continued) table with columns: Vol, High, Low, Last, Chg.

FUJI logo and text: With Branch Offices Singapore, New York

Carnation logo and text: Faces an Uphill Battle

LOS ANGELES — The price of a new force in the \$1.4-billion baby food industry...

ABBOTT holds 48 percent of Myers 25 percent do not appear to be in the market...

Current Rates table with columns: Country, Rate

Forward Rates table with columns: Period, Rate

Interest Rates table with columns: Instrument, Rate

مكذمان التجهيل

(Continued on next left-hand page)

Thursday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

19 Month High Low Stock Div. Yld. PE High Low High Low

Table of NYSE closing prices for various stocks, including General Electric, IBM, and others.

(Continued)

Table of NYSE closing prices (continued) for various stocks.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Table of company results for various firms, including British, Oil Paper Group, and others.

Table of 22 Month High Low Stock Div. Yld. PE High Low High Low

Table of 22 Month High Low Stock Div. Yld. PE High Low High Low (continued)

AMEX High-Lows

Table of AMEX High-Lows for various stocks.

NYSE High-Lows

Table of NYSE High-Lows for various stocks.

Company Results (continued)

Table of company results (continued) for various firms.

U.S. Futures

Via The Associated Press

Table of U.S. Futures prices for various contracts.

Grains

Table of Grains futures prices.

Meats

Table of Meats futures prices.

Food

Table of Food futures prices.

Metals

Table of Metals futures prices.

Livestock

Table of Livestock futures prices.

Currency Options

Table of Currency Options prices.

AMEX High-Lows (continued)

Table of AMEX High-Lows (continued) for various stocks.

NYSE High-Lows (continued)

Table of NYSE High-Lows (continued) for various stocks.

Company Results (continued)

Table of company results (continued) for various firms.

U.S. Futures (continued)

Table of U.S. Futures prices (continued).

Grains (continued)

Table of Grains futures prices (continued).

Meats (continued)

Table of Meats futures prices (continued).

Food (continued)

Table of Food futures prices (continued).

Metals (continued)

Table of Metals futures prices (continued).

Livestock (continued)

Table of Livestock futures prices (continued).

Currency Options (continued)

Table of Currency Options prices (continued).

AMEX High-Lows (continued)

Table of AMEX High-Lows (continued) for various stocks.

NYSE High-Lows (continued)

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Table of Metals futures prices (continued).

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NYSE High-Lows (continued)

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Company Results (continued)

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Grains (continued)

Table of Grains futures prices (continued).

Meats (continued)

Table of Meats futures prices (continued).

Food (continued)

Table of Food futures prices (continued).

Metals (continued)

Table of Metals futures prices (continued).

Livestock (continued)

Table of Livestock futures prices (continued).

Currency Options (continued)

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AMEX High-Lows (continued)

Table of AMEX High-Lows (continued) for various stocks.

NYSE High-Lows (continued)

Table of NYSE High-Lows (continued) for various stocks.

Company Results (continued)

Table of company results (continued) for various firms.

Traveler's Choice

International Herald Tribune... You Need Rubles Fast... into the Depths in Brussels...

Hotel Weekend for Big Spenders... 90 Candles for the Clumsy... Calamarians to Capri...

Europe's Where's... by Mike Zwernin... EUROPEAN jazz festivals are longer, ponderous, more...

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TRAVEL

- Music in Granada
- Film Fare in the Air
- Wines to Come Back To

International Herald Tribune

TRAVELER'S CHOICE

If You Need Rubles Fast in Moscow

American Express will install two automatic teller machines in Moscow, the first in the Soviet Union, in September.

Into the Depths in Brussels

Brussels now has a Museum of Sewers. The exhibition, which leads down into the depths of the Belgian capital, boasts cast-iron gutter lids, massive pumps and locks, stretches of dimly lit tunnels, two stuffed rats and lots of gurgling dirty water.

And, If You Prefer Clean Water

Campers and travelers can assure the water they drink is safe if they take along a portable water filter. The Katadyn Pocket Filter treats one quart of water in one minute, using a microporous ceramic filter that uses no chemicals.

Hotel Weekend for Big Spenders

For those who don't worry about money, there is the "Holiday for the Last of the Big Spenders," a package that bills itself as "the most expensive weekend in Britain for 1988."

900 Candles for the Cluny in Paris

The Benedictine abbey of Cluny in Paris is celebrating the 900th anniversary of its founding with concerts, exhibitions, and other events.

Catamarans to Capri, Other Isles

A catamaran hydrofoil service has begun from Rome's port of Fiumicino, close to Leonardo da Vinci Airport, to island resorts in the Tyrrhenian Sea.

Côte d'Azur: Beachside Smorgasbord



On the waterfront at Saint-Tropez.

by Roger Collis

ANTIBES, France — If you had asked me 10 or 15 years ago what I thought of the Côte d'Azur, I'd have said it was the best place for a vacation in the Western world.

I would talk about a wave of crime, nightmare traffic, the blight of developers threatening to engulf the coast in concrete, unpleasant crowds and general sleaze.

Sometimes we would stay in Nice, Cannes or Antibes, making the flower market in the early morning, a museum perhaps and then drive to Mougins, Grasse, Venice or Tourrette-sur-Loup in the back country for lunch.

It was while I was researching this article that I asked myself whether the Côte d'Azur has changed or not? The answer is we both have. (Writing, like travel, is a wonderful means of self-discovery.)

Six years ago, I went to Corsica to write an introduction for a guide book. I raved about the savage beauty of this unspoiled island.

the island with the Côte d'Azur of 50 years ago — a paradise that had gone astray. What I failed to appreciate then is that the Côte d'Azur's constant appeal is a result of the variety of what it offers and the sophistication of its infrastructure.

The Romans were the first tourists, 2,000 years ago. They came to take the waters at Cimiez, now the

scribe the 90 miles of coast from Saint-Tropez to Menton. No prize for guessing that the flocks in City Hall have proclaimed 1988 Côte d'Azur Centenary Year. But ask them to precisely define the region and you may get different answers.

The second half of the 19th century was the golden age of aristocratic tourism. Winter was the high season (in January the average temperature in Nice is 8 degrees centigrade and on a sunny day it can reach 20 — or a range of 46 to 68 Fahrenheit) and no self-respecting monarch, minister or tycoon could afford not to put in an appearance at a resort like Menton, Monte Carlo or Cannes.

The statue of Queen Victoria in Menton is a reminder of the upper-crust English who were attracted by the mild winters and the gaming tables. The Russian nobility steamed down from St. Petersburg in private railroad cars.

The summer season began around 1925, popularized by American literati, such as Scott and Zelda Fitzgerald, John Dos Passos, Robert Benchley, Dorothy Parker and the Gerald Murphys.

Popular tourism really got under way in the 1950s and has been growing relentlessly since. Eight million visitors are expected this year, nearly half of them French. July and August are the cruelest months. But there are peak periods all year round.

Inevitably, there has been a giant step down in taste and standards. Juan-les-Pins, which absorbs 200,000 people, and the coastal strip of Cannes-sur-Mer, have nothing to fear from Coney Island. There is organized

Juan-les-Pins

crime and the sun and money have attracted legions of drifters and small-time hoodlums. Mugging is now a way of life. (My wife was robbed at gunpoint in Cannes in broad daylight as she got into her car.)

But most resorts are clean and well kept and there is an ineffable sense of civic pride. Public gardens are stocked with trees and flowers. And on a larger scale, the ancient resort of Fréjus (founded by Julius Caesar) is undertaking an imaginative project to reunite the Roman harbor, over a mile inland, with the sea.

There is a serious war on pollution too. The beaches are sprayed from boats in the early morning and they are raked and cleared of garbage each day, although Nice-Matin ran a story recently about a child whose foot was pierced by a junkie's needle half buried in the sand.

Continued on page 13



The New York Times

northern suburb of Nice where the jazz festival is held in July each year. They traveled along the Via Julius Augustus, now the Grande Corniche, the highest of the three mountain roads between Menton and Nice.

Slow dissolve to 1888, when Stephen Liégeois, a French writer, invented the term Côte d'Azur to de-

Europe's Jazz Fêtes: 'Where's My Ferrari?'

by Mike Zwerin

EUROPEAN jazz festivals are getting longer, ponderous, more eclectic and less jazzy every summer. They are subsidized by national governments, municipalities, tourist offices and private sponsors.

The worldwide official support of America's native art makes it an industry with growing volume and staying power. It has its technocrats, consultants, historians, lobbyists. They give business courses in jazz itself. Creativity does not get you far with schools.

Let's be realistic. Everybody's working for reasonable money at least a month a year. It would take less space to list the names of those not playing than those who are.

advantage of their presence, new small festivals keep springing up in remote towns.

Traveling around Europe in July, it is almost impossible to avoid stumbling on bands of improvisers with their axes.

A percussionist presents an Italian passport to the customs man, who points out that it has expired. He apologizes, fumbles through the chimes, blocks and cymbals he is carrying and comes up with a valid Brazilian passport.

Two famous bebop trumpeters are sitting in the bar of the Bel Air Hotel in The Hague discussing which brand of glue is more efficient for their dentures. My hero.

One morning at 10 A.M., I walk out of the elevator to the rooftop of the Beach Regency Hotel in Nice and find George Benson, Albert King and Chuck Berry around a table chatting. 10 A.M.!!

Claude Nobs pays Miles Davis some unheard-of fee for playing his Montreux Festival. A clause specifies the availability of a Dino Ferrari for the "Prince of Silence."

None can be found. A friend of Nobs offers to lend his. Nobs pulls out the antenna of his cordless phone: "Hello, Miles, we

Continued on page 13



Bobby McFerrin, Jean-Luc Ponty, Andy Sheppard and Horace Silver (clockwise from top left) are among the many performers entertaining an estimated million fans who will be crowding Europe's jazz festivals this summer.

Bed and Breakfast In the Deep South

by Craig Claiborne

WITHIN the past decade a good deal has been written about the virtues of bed-and-breakfast lodgings, a concept borrowed from small private hostels in Britain.

From the very first reading, I was not enamored of the idea. It all sounded too cozy, too personal, too many intrusions, perhaps, no matter how well meaning.

My attitude was altered perceptibly when I was recently billeted by acquaintances (I do not gladly suffer an overnight stay even in the homes of my friends, and most of them

know it) in a bed-and-breakfast establishment, the Millsaps BnB House, a stately mansion on North State Street, a quiet street near the Capitol in Jackson, Mississippi.

On my arrival late one afternoon, I walked into an elegant, bright, splendid reception room and parlor with tall ceilings and windows hung with lambrequin or other gracefully adorned draperies.

I then ascended the stairs with their handsome newel posts and handrails to my bedroom, one of 11 in which guests are lodged, furnished with one of the house's oldest antiques, the handsome half-canopied bed of Reuben Webster Millsaps, founder, in 1892, of Millsaps College.

As a native Mississippian, I found the Millsaps BnB House museum-like but not suffocatingly so; it smacked off faintly of moss and magnolia. It was comfortably furnished with antiques like the mirror and the double-seated French dining bench in the parlor. The room also housed that essential for a good Southern upbringing, a grand piano.

Continued on page 12

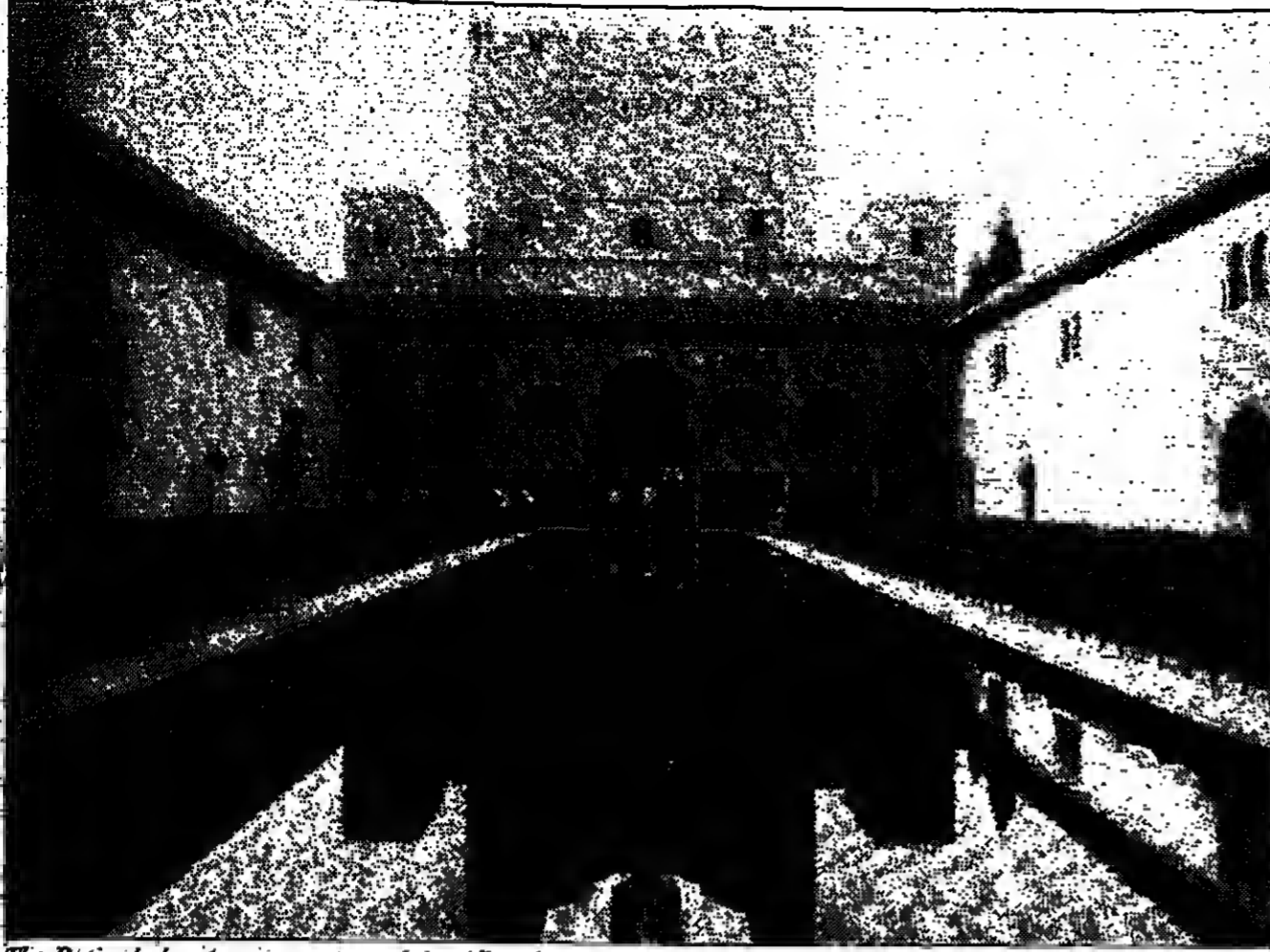
TRAVEL

Nights in the Gardens of Granada, A City Made for Music and Dance

by Mary Peirson Kennedy

GRANADA, Spain—This mystical city dominating the plains below the snow-capped Sierra Nevada is in the midst of its 37th annual Music and Dance Festival. To bear Montserrat Caballé singing the final scene of Richard Strauss' "Salome" in the Renaissance ring of the palace of Charles V with the stars discreetly blinking above offers an unforgettable example of one difference between performance and recording. Or the Hilliard Ensemble from Britain playing pre-16th-century music in another patio in front of the palace or the Spanish National Ballet dancing in the midst of the Generalife, surrounded by greenery and the sound of running water, and where nearby there is an Arab inscription that says of the Generalife, "How beautiful is this garden where the flowers of the earth vie with the stars of heaven."

under the 30-year-old Finnish conductor Esa-Pekka Salonen had the public stamping and boeing with the announcement that "due to technical problems," she would not sing the "Liebestod" from Wagner's "Tristan and Isolde." As consolation and to thunderous applause she repeated the final scene of "Salome," perhaps even better than the first time. At a reception after the concert it was a main topic of conversation. The story was that Salonen had not allowed enough rehearsal time for the "Liebestod" and Caballé refused to sing it with so little preparation. From a modest start in 1951, the festival grew yearly in stature with the dedicated work of men like Antonio Gallego Burín, Antonio de las Heras, Atalfo Argenta and Manuel Sola. Beset by financial problems, they cherished a letter from Dame Margot Fonteyn offering to come and dance without fee. During the Franco years, according to the press director, José Antonio Lasroel, "they neither helped (no financial aid) nor hindered us—music you know is difficult to censor." But with city support and private contributions it somehow struggled through and established itself.



The Patio de los Arrayanes, one of the Alhambra's concert sites.

Discovering the Côte d'Azur Once Again

Continued from page 11

And yet, and yet. The sea is still blue, the sun shines and much of the coast is still beautiful. You can still find peace and tranquility in the villages of the hinterland, their roofs a Cabist painting by Braque or Picasso, terraced vineyards set among olives and encypants. Pine forests stretching away to the shimmering horizon. And there are still gastronomic discoveries to be made. Nice has one of the most attractive airports in Europe. You come in over the sea to land, touching down on the edge of the runway, it seems, to palm trees and a fragrant breeze. It is still on a human scale, which means you often walk to the plane. Crowd watching is fun, especially Friday evenings when the flights from Paris arrive. There are still real people doing real jobs in a real community. Visit the flower market (Cours Saleya) in Nice or the covered market in Antibes, in front of the Mairie, at 8 A.M. You won't find many tourists, even in the summer. Have a coffee near one of the stalls, choose from 30 kinds of fresh-baked bread. Buy fish from the fishermen who set up tiny trestle-tables in the square. Mix with the local people or simply bask in the crystalline light. It's a surefire antidote for urban angst. It was the magical quality of light that attracted artists to the Côte d'Azur. Renoir had his home at Cagnes, oow a museum; Chagall lived in Venice; Picasso was a frequent visitor (the Picasso Museum in Antibes houses the paintings and ceramics he did here in the fall of 1946). Dufy and Matisse worked here. There is the Matisse Museum in Nice, the Fernand Léger Museum at Biot, near Antibes, and the Maeght Foundation at Saint-Paul-de-Vence. You can still find scores of painters and sculptors living and working along the coast. An enterprising travel agent has put together a program of art tours for individuals and small groups to visit them in their homes and studios, which are often in picturesque medieval hill-top villages. (Jacques Renoir, a filmmaker, nephew of Jean Renoir, great-grandson of Auguste Renoir, may conduct you round Les Collettes, the house (now a museum) where Renoir lived, and where Jacques lived as a child.) This is part of a program called, Riviera on Demand. It includes visits to concerts, festivals and vineyards. But you can do these things and much more by yourself: sailing, fishing and water sports, music, hiking (there are 17 resorts within two hours' drive of Nice), golf (half a dozen fine courses along the coast). Rediscovering the Côte d'Azur is the best revenge. It all comes to finding your own refuge from the sleaze. Maybe you will find it within yourself.

THE festival this year is dedicated to Andrés Segovia, the great Spanish guitarist who recently died, and whose uncle said of him that when Segovia received his first guitar, "it was not as though he was learning to play, it was as though he was remembering." The city has been reverberating since June with the guitar music of admirers and pupils of the master (and masters themselves)—Eliot Fisk, Gerardo Núñez, Eduardo Fernández, Julian Bream, Godefrido Monden, Alirio Díaz, María Esther Guzmán and Manuel Cano. And there is a new director, Marcicarmen Palma, a dynamic 45-year-old Catalan. With a steel band of

Côte d'Azur: Guideposts

Comité Régional du Tourisme (Regional Tourist Office): 55 Promenade des Anglais, 06000 Nice (tel: 93.44.50.59). Ask for the following free brochures: Guide to Hotels (from Menton to Cannes); "100 Years of the Côte d'Azur" (calendar of cultural, religious, folkloric and sporting events along the coast and back country); "A Practical Guide to the Riviera/Côte d'Azur" (an overview of what to see and do—festivals, monuments and museums, vineyards and wines, nature walks, arts and crafts and sports); "Museums and Art Galleries 1988"; Haut Pays de la Côte d'Azur et Parc National du Mercantour (open-air activities of all kinds). Nice Airport has direct services to 50 international destinations including New York. Music: Opéra de Nice has an eclectic program of opera, dance and concerts year-round (except for July-August); 4 Rue Saint-François-de-Paule 06300 Nice (tel: 93.80.59.83). A calendar of music (both classical and jazz) and dance (Les Mois 88 de la Musique et de la Danse) on the Côte d'Azur is published each month by the Conseil Général des Alpes-Maritimes, 1 Rue Marianne Jaubert, 06000 Nice (tel: 93.88.08.08). The Festival de Musique Sacrée is held in Nice every June; program from Action Culturelle Municipale, 2 Place Masséna, 06300 Nice (tel: 93.13.20.52). Acropolis Palais des Arts, Tourisme et des Congrès in Nice offers all kinds of exhibitions, concerts, films, sports events and festivals throughout the year. 1 Esplanade Kennedy, 06300 Nice (tel: 93.92.81.43). Monaco: Caros: Tourism & Congress Office: 2A, Boulevard des Moulins, 98000 Monaco (tel: 93.30.87.01). is open daily; information and hotel reservations. Société des Bains de Mer (SBM) owns three of the four luxury hotels in Monte Carlo (Hotel de Paris; Hotel Hermitage and the Hotel Mirabeau), the Casino, the Sporting Club and 18 restaurants and controls all the gambling in the principality. Nice-Matin, the daily newspaper that serves the Côte d'Azur with many local editions, will tell you what's on— from village fêtes to art exhibitions and concerts. Maps and Guides: Get the large-scale—1 kilometer/centimeter—Michelin (green) map 195 (Côte d'Azur-Alpes Maritimes) or the smaller-scale Michelin (yellow) map 84 (Marseille-Menton), which extends slightly farther west. Use them together with the Michelin green guide (Côte d'Azur-Haute-Provence) which gives historical, archaeological, cultural and scenic information on every place worth visiting, along with regional maps and itineraries. The Michelin red guide is the classic authority on hotels and restaurants; it's a bit staid, but renowned for its objectivity. SOME EVENTS THIS SUMMER: Another Exhibition of Picasso Prints, Picasso Museum, July 3-Sept. 30; Classical Music Festival at Antibes Cathedral, July 5-19; International Jazz Festival at Juan-les-Pins, July 16-30; Music & Fireworks Festival at Juan-les-Pins, Aug. 14, 17, 20 & 23. Cannes: Music & Fireworks evening, July 14; Ray Charles concert, July 17; Martha Graham Dance Company, July 19; Bridge Festival, Aug. 12-15; 11th International Yachting Festival, Sept. 8-12. Grasse: I Virtuosi di Roma, July 15. Cotzeaux: Soires Occitanes (traditional Provençal evenings), July-August. Fayence: Touristes: Crafts Fair, July 24; Provençal Summer Fair, Aug. 21. Hyères: Summer Jazz Festival, July 19-25; All Night Arts Festival, Aug. 7; Garlic Fair, Aug. 24. Menton: Chamber Music Festival, Aug. 2-30. Monaco: International Fireworks Festival, Aug. 6, 9 and 13; Jazz on the Rocks at North Harbor jetty, Sept. 3, 10, 17, 24. Nice: Grande Parade du Jazz at Cimiez, July 9-19; Battle of Flowers, July 23; National Symphony Orchestra of Washington, Aug. 13; Wine Festival, September (first half). Peille: Chamber Music Concerts, all summer. Roquebrune-Cap Martin: Music and poetry evenings at the castle, July. Saint-Tropez: Music Festival, Sept. 5-15. Vallauris: Biennial Festival of Ceramic Art, July through September; Pottery Festival, Aug. 7. Venice: Music Festival, July (second half); Festival of the Patron Saint Elizabeth, Aug. 6-8; Fashion Show (with period costumes), Aug. 23. Villefranche-sur-Mer: Concert by Band of U.S. Sixth Fleet, July 14; Hungarian Folk Ballet, July 27.

The port at Cannes.

Jazz Festivals

Continued from page 11

Montpellier, France The second Montpellier Jazz Festival takes place July 15-29. Organized by the Centre Culturel du Languedoc and the Conseil Général de l'Hérault, it is imaginatively programmed and efficiently produced and benefits from an energetic municipality that wants to prove it is forward looking. Graduate level workshops organized by International Music Seminars of Los Angeles offer instructors like Joe Diorio, Herbie Hancock, John Abercrombie and Michael Brecker. Concerts by Jean-Luc Ponty (July 15), Charlie Haden (July 17), Bass Destries (with John Scofield), and Horace Silver (July 19), Eddy Louiss (July 22). Tel: 67.79.65.51. Darmstadt, West Germany "That's Jazz—The Sound of the 20th Century," a combination exhibition and concert series sponsored by the city, will continue through Aug. 28. The theme is "to give an authentic picture of the profound impact this Afro-American musical life... and through what changes and in what variations it has infiltrated into the popular cultures of all countries." Described as a "sonic depiction of jazz history," it is in the Ausstellungshallen gallery on Europe Platz. It includes musical instruments illustrating African and European roots, Bix Beiderbecke's cornet, an original piece of ironwork from the French Quarter in New Orleans, Louis Armstrong's trumpet, a replica of an early recording studio, scenes illustrating social and political conditions during the swing era, evidence of the official intolerance practiced against the so-called "Swing-Jugend" by the Nazis, Charlie Parker memorabilia and documents relevant to the growth of jazz in Europe. Films such as "Ornette Coleman: Made in America" (July 8) and "Jazz On A Summer's Day" (July 9) are also scheduled. Live concerts include Art Blakey's Jazz Messengers (July 15), James (Blood) Ulmer (July 24) and the young British saxophone sensation Andy Sheppard (July 31). The Hague, The Netherlands North Sea Jazz Festival, The Hague (July 8-10): 270 hours of live jazz of every size and shape in three days under one roof in 13 rooms of a congress center. Miles Davis, Ray Charles, Pat Metheny, Oscar Peterson, B.B. King, Lionel Hampton, Carmen McRae, Eddie Harris, Scott Hamilton, Michel Petruccianni, John Lee Hooker, Ben Sidran and just about everybody listed above and below. Total schizophrenia—so much goes on at the same time you're sure that what's really happening is in another hall. James Brown. Christopher Rowe

RAMADA SUMMER SALE EUROPE AND MEDITERRANEAN Fantastic value at 26 hotels in 9 countries from as low as \$28.50 per night (Per person, double occupancy, local currency equivalent). AUSTRIA • BELGIUM • EGYPT • ENGLAND • GERMANY • HUNGARY • ISRAEL • SPAIN • SWITZERLAND. You can enjoy great savings of Ramada Renaissance Hotels, Ramada Hotels and Ramada Inns in these countries in Europe and the Mediterranean from 24th June to 11th September. Special rates include: Full buffet breakfast, Complimentary welcome drink, Free morning newspaper, Free parking (where available), Free entry to a local attraction, Children's meals 12 and under 50% off, Third person free (room only), No minimum/maximum stay, Available 7 days a week (subject to room availability), All taxes and service charge, Single supplement plus 50%. For full details and reservations, call your travel agent, or call one of the following Ramada Worldwide Reservations numbers: Belgium (11) 3219 Netherlands (06) 022 7337 Denmark (0430) 0113 Norway (020) 11022 France 19 (05) 908342 Sweden (020) 795707 Great Britain 0800-181737 Switzerland (046) 0526220 Italy 1678 72090 West Germany (0130) 2340. RAMADA INTERNATIONAL HOTELS

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Thursday's AMEX Closing

Tables include the following prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High	Low	Div. Yld. PE	52-Week Low	Open	Close
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
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12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 30th June 1988

AL-AMAL GROUP	AMERICAN MANAGED PLC	AMERICAN MANAGED PLC	AMERICAN MANAGED PLC
12 1/2	12 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2

Other Funds

12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

Other Funds

12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

Other Funds

12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at further information.

Top 50 U.S. Exporters

1987 Overseas Sales Rank

The Associated Press

NEW YORK — Top U.S. exporters, ranked by General Dynamics Corp. in a survey published in the July 1988 issue of the magazine, recorded a 10 percent increase in overseas sales last year.

The magazine said that the largest increase for any company was by General Dynamics, which reported a 25 percent increase in overseas sales in 1987.

Fortune continued to climb this year, reaching \$2.9 billion in overseas sales in 1987, up from \$2.5 billion in 1986.

Fortune's electronic computer, chemicals and industrial goods were the top performing export products, accounting for 50 percent of its total exports.

Fortune noted that even a downturn for three years made a dramatic turnaround.

PEPSI: A Soviet Market

from first finance page

blocks in Moscow, largely by highway stations and in other high-potential spots. In summer, PepsiCo hopes that the market will move from selling opening plants and selling product as it came off the line," said an American executive who admits that a plan to discontinue the Soviet market is a variety of consumer reform.

After 15 years, he says, work out to about one per capita every three years.

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Floating-Rate Notes

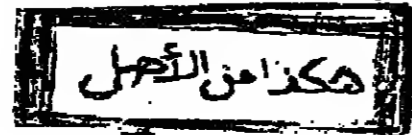
Dollars	12 1/2	12 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

Deutsche Marks

12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2

Japanese Yen

12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2
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12 1/2	12 1/2	10 1/2	10 1/2	10 1/2	10 1/2



BUSINESS ROUNDUP

Top 50 U.S. Exporters Ride High
1987 Overseas Sales Reached \$80 Billion, Survey Shows

The Associated Press
NEW YORK — Top U.S. exporting companies led by General Motors Corp., Ford Motor Co. and Boeing Co. did well last year as the cheaper dollar boosted overseas sales, a survey shows.

round, with exports rising 10 percent to \$29 billion.
General Motors headed the Fortune 500 list for the sixth consecutive year, with 1987 exports totaling \$8.73 billion. Ford, the second biggest U.S. automaker, eased out Boeing for the No. 2 slot. The car manufacturer's shipments have long been underpinned by an assembly agreement with Canada.

General Electric, \$4.83 billion, 12.3; IBM, \$3.99 billion, 7.4.
De Pree, \$3.28 billion, 11.6; McDonnell Douglas, \$3.24 billion, 24.7; Chrysler, \$3.05 billion, 11.6; Eastman Kodak, \$2.96 billion, 17; Caterpillar, \$2.92 billion, 24.8; United Technologies, \$2.87 billion, 12.1; Digital Equipment, \$2.82 billion, 20.5.

Exports continued to climb this year, Fortune noted, reaching \$29 billion in March for the highest monthly showing ever.
Auto parts, electronic components, computers, chemicals and other industrial goods were the best-performing export products last year, accounting for \$200 billion or about 80 percent of all exports.

Boeing slipped after losing more than \$1 billion in sales of its 747 jumbo jets. Other aerospace companies had similar difficulties, including Lockheed, which dropped 14 places because of fewer deliveries of its C-130 Hercules transport planes and P-3 antisubmarine aircraft, Fortune said.

Among companies to appear on Fortune's annual list for the first time were Cummins Engine, Xerox, Hoechst Celanese and Ethyl, which makes petroleum additives and specialty chemicals.

But Fortune noted that even farm equipment, down for three years, made a dramatic turnaround, with exports rising 10 percent to \$29 billion.

General Motors, \$8.73 billion, 8.6 percent of total sales; Ford Motor, \$7.61 billion, 18.6 percent of sales; Boeing, \$6.27 billion, 49.7 percent.

Other companies on the list include: International Paper, \$7.77 billion, 10; ITT, \$7.79 billion, 8.4; Johnson & Johnson, \$7.73 billion, 15.7; Motorola, \$7.61 billion, 15.4; Raytheon, \$7.61 billion, 15.7.

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Fletcher in Brazilian Deal

WELLINGTON, New Zealand — Fletcher Challenge Ltd. has bought 50 percent of the Brazilian newspaper producer Papel de Imprensa SA for \$83 million.
Fletcher's chief executive, Hugh Fletcher, said Wednesday that the purchase was "an important addition to the international forest products operations" of the New Zealand company, which already has newspaper plants in Canada, Australia, Chile and New Zealand.

Fuji Seeks French Approval For Subaru Plant at Angers

KOYO — Fuji Heavy Industries Ltd. has applied to build Subaru cars in France because it is afraid the planned integration of the European Community could shut out Japanese imports, a spokesman revealed on Thursday.
Fuji applied in April to build a factory at Angers that would become operational by 1992 and would be the first independent Japanese auto plant in continental Europe, the spokesman said.

VW Expects Slight Rise In Net Profit For Half

WOLFSBURG, West Germany — Volkswagen AG expects group net profit of 310 million Deutsche marks (\$170 million) for the first half of 1988, a 2 percent rise from 304 million DM a year earlier, the management board chairman, Carl Hahn, said Thursday.
Mr. Hahn said at the annual shareholders meeting that VW was likely to report results for the whole of 1988 similar to those for 1987, when the group's net profit rose 3.1 percent to 598 million DM.

Coke Dismisses Allegations of Moscow Bribes

ATLANTA — The president of Coca-Cola Co. has denied allegations that the soft-drink maker bribed officials in the Soviet Union to win market access.
Donald R. Keough, speaking at a trade conference Wednesday, confirmed that the company is under investigation by a federal grand jury under the 1977 Foreign Corrupt Practices Act.

Irish Distillers Complains to EC About Hostile Bid

LONDON — Irish Distillers Group PLC said Thursday that it had lodged a formal complaint with the European Community over G&C Brands Ltd.'s hostile bid of 198.5 million Irish punts (\$292 million) for Ireland's leading whiskey maker.
Irish Distillers has asked the European Commission, the EC executive body, to levy fines on Grand Metropolitan PLC, Allied Lyons PLC and Guinness PLC, who make up G&C. The complaint said the three beverage giants were trying to use their dominant market positions to join forces to buy Irish Distillers, maker of Jameson's and other whiskeys.

France Cuts Soft-Drink Tax

PARIS — France will cut the value added tax rate on non-alcoholic drinks and mineral waters to 5.5 percent from 18.6 percent starting July 3, Finance Minister Pierre Bérégovoy said Thursday.

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NOTICE OF REDEMPTION TO THE HOLDERS OF ECU 40,000,000 THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V. 11 1/2% GUARANTEED BONDS DUE 1993

Table with 4 columns of serial numbers for bonds to be redeemed on 9th August 1988.

The following bonds, called for redemption on 9th August 1988, have not yet been presented for the payment:

Table with 4 columns of serial numbers for bonds not yet presented for payment.

The following bonds, called for redemption on 9th August 1988, have not yet been presented for the payment:

Table with 4 columns of serial numbers for bonds not yet presented for payment.

The following bonds, called for redemption on 9th August 1987, have not yet been presented for the payment:

Table with 4 columns of serial numbers for bonds not yet presented for payment.

Amount outstanding after 9th August, 1988: ECU 22,000,000. Interest on the Bonds to be redeemed will cease to accrue on the redemption date.

Coupons which shall mature on, or shall have matured prior to, said redemption date should be detached and surrendered for payment in usual manner.

THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V. BY SOCIETE GENERALE ALSACIENNE DE BANQUE 15, AVENUE EMILE REUTER LUXEMBOURG THE PRINCIPAL PAYING AGENT

Haindl Papier advertisement for DM 100,000,000 6 1/2% Bearer Bonds of 1988/1998, guaranteed by Haindl Papier GmbH.

Handwritten signature: J. P. Colson

CURRENCY MARKETS

Dollar Mixed but More Gains Seen

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed mixed in New York on Thursday after it nudged upward during the day...

London Dollar Rates

Table with columns: Currency, Bid, Offer, Net, and Source. Lists rates for Deutsche mark, Pound sterling, Japanese yen, Swiss franc, and French franc.

without much effect, there must be more upside potential, a U.S. bank dealer in London said...

The dollar fell to 1.8190 DM in London from 1.8295 on Wednesday...

The dollar also fell to 1.5060 Swiss francs from 1.5150 and to 6.1285 French francs from 6.1595...

The dollar's advance in recent weeks has taken it higher by around 7 percent against other key currencies...

Currency markets are speculating about a split among the leading industrial democracies, with the United States and Japan seen as out over to some further dollar appreciation while European countries oppose such a proposal...

Thatcher Cool to EC Plan

Reuters

LONDON — British Prime Minister Margaret Thatcher warned Thursday that a monetary union in the European Community would be difficult...

She said it depended on other EC members bringing their free-market conditions up to Britain's standards...

Speaking in Parliament after this week's EC meeting in Hannover, West Germany, Mrs. Thatcher said: "Long before European monetary union could be achieved, many other countries would have to come up to the level we have reached..."

The 12-nation EC plans to create a single market by 1992, but Britain has annoyed other members by questioning whether the EC also needs a common currency and a joint central bank...

On the EMS, she said: "We have many advantages which many others who belong to the exchange rate mechanism have not..."

She said that unlike most other members, Britain held in the European currency unit, had freedom of capital movement and the European currencies in its bank reserves and had no exchange-rate controls...

"So they've got a very, very long way to go to get merely as far as we have on these matters," Mrs. Thatcher said...

RATES: Bundesbank's Move Triggers Rises in Other European Nations

(Continued from Page 1)

ports of Bundesbank sales during the day.

Martin Bangemann, West Germany's economics minister, said in a statement that the Bundesbank's decision was important to sustain West German monetary stability...

The bank of France, however, did not boost its rates, announcing before the Bundesbank's action that it would leave its monetary policy intervention rate unchanged at 7 percent at Thursday's securities-repurchase tender...

The interest rate on securities repurchase agreements is also the Bundesbank's primary tool for steering money market rates...

The Bundesbank's board shares Mr. Lawson's concern about inflation...

Emirates Appear to Flout Oil Quota

Output Rise Likely to Aggravate Fall in OPEC Revenue

By Youssef M. Ibrahim

New York Times Service

PARIS — The United Arab Emirates appears to be making good its threat to flout the production quota of the Organization of Petroleum Exporting Countries by significantly increasing its output of crude oil...

The development is the latest turn in a price war that began after OPEC met in Vienna in mid-June...

Oil prices have fallen steadily since then, and were lower again Thursday. Brent crude oil closed in London at \$14.35 a barrel...

Among OPEC's 11 other members, Venezuela, Kuwait, Qatar and Ecuador and possibly others are exceeding their production quotas...

The Emirates' decision "laid out a thousand new banana peels," said industry officials in the Gulf...

said the Emirates intended to increase production to at least 1.5 million barrels a day from the present 1.2 million barrels...

Oil officials of the United Arab Emirates said the cabinet had decided to drop out of the quota system, as its oil minister, Sheikh Mana Said al-Oteiba, had threatened in Vienna...

The Emirates' quota is one million barrels a day.

The country is joining Iraq in flouting attempts by OPEC to limit output, with their actions coming at a time when there is already an oil glut on world markets...

The Emirates' decision "laid out a thousand new banana peels," said industry officials in the Gulf...

Peter Gignoux, manager of the European trading desk at Shearson Lehman Hutton.

"It is part of the oil community's awakening to the implication of the OPEC failure to control output," he said.

OPEC is estimated to be producing 18.5 million barrels of oil a day, at least a million barrels a day more than the market can absorb.

The United Arab Emirates' move may induce Saudi Arabia to increase its production, oil industry officials warned.

They said Saudi Arabia would follow through on its threat to do whatever was necessary to preserve the Saudi market share.

These sources expect Saudi production in the next two months to increase by 300,000 barrels a day...

In the past few days, Saudi Arabia has increased the discount on its oil to \$1.50 a barrel from \$1.20, industry officials said.

■ Egypt Lowers Prices
An Egyptian oil producer, on Thursday lowered its export prices by as much as \$1.85 a barrel for the first half of July...

Hamad Ayoub, a senior Oil Ministry official, blamed the deterioration in world prices on some OPEC countries that do not comply with their quotas.

■ Oil Stocks Off in N.Y.
Oil company stocks dropped in early trading on the New York Stock Exchange on Thursday, traders said, according to a Reuters dispatch from New York.

"The stocks are reacting to the story of U.A.E. overproduction," observed Paul Ting, an oil analyst at Oppenheimer & Co.

The stocks falling in price included Chevron Corp., Mobil Corp., Exxon Corp., Texaco Inc., British Petroleum Co. and Royal Dutch/Shell Group.

Paris Still Aims to Cut Rates

Reuters

PARIS — The French government still aims to lower interest rates, despite the recent increases in rates in West Germany and Britain...

A reduction of one point in rates would mean a boost of 0.3 percent to 0.5 percent in France's annual economic growth and the creation of 40,000 to 80,000 new jobs, Mr. Bérégovoy said.

"We cannot reason independently from the international climate, but as real French interest rates are higher than real West German rates, there is room for a cut," said the minister.

Shortly after he spoke, however, the Bank of France said it left its key money market intervention rate unchanged at 7.0 percent.

French money market operators said that despite Mr. Bérégovoy's belief that there is a margin for lower rates, international developments had prevented an immediate cut.

The French central bank last cut the intervention rate, the fixed rate at which it allocates medium-term funds to the market, by 0.25 point to the current level on May 26.

Thursday's OTC Prices. MASDAQ prices on 4 full New York Times. Most traded securities in terms of dollar volume.

Main financial table containing stock prices, market indices, and company names. Columns include stock name, price, and volume.

Insider Trading Law Instituted in Switzerland

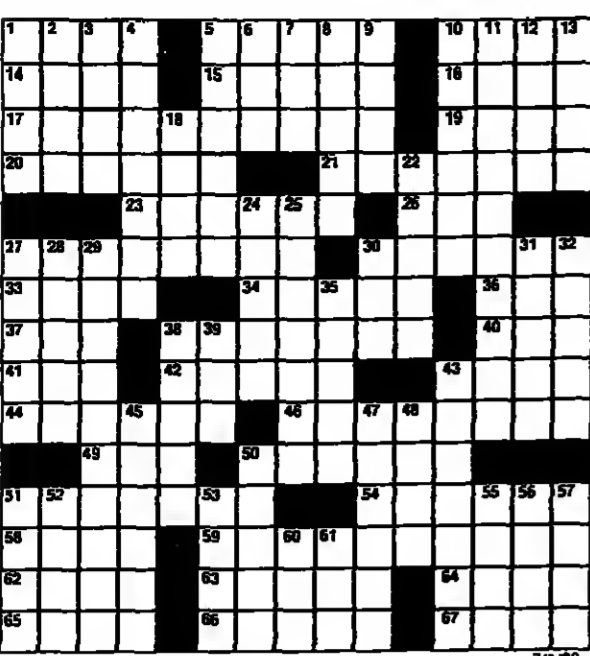
Reuters

ZURICH — A new law making insider trading a criminal offense in Switzerland takes effect on Friday amid a growing number of probes by the U.S. Securities and Exchange Commission into Swiss links to illegal dealing.

So far this year, the U.S. regulatory agency has asked Switzerland for assistance in investigating six cases of possible insider trading, said Peter Fortmeyer, a law professor who is chairman of an independent Swiss commission overseeing the SEC requests.

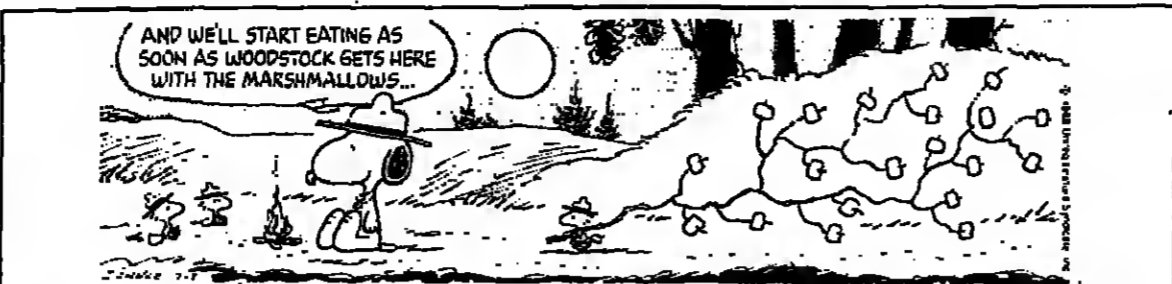
Under a 1982 agreement, Switzerland agreed to cooperate with the SEC in the investigation of trading in U.S. stocks via Swiss banks, even though insider deals were not illegal here.

The most publicized of this year's cases involves possible insider trading by the U.S. company Sterling Drug Inc. shortly before the Swiss chemical giant Hoffmann-La Roche & Co. made an unsuccessful \$4.6-billion hostile takeover bid on Jan. 4. The investigation is still proceeding.



ACROSS
1 Desire
5 Mauser, e.g.
10 Ottoman leader
14 Plaster
15 Inventor Howe
16 Snatch
17 Elderly ones
19 Felt
20 Tardy
23 Builds
26 Part of OTB
27 Give rise to
30 Prevents
33 Sale or stick type
34 Cubic decimetre
36 Charged particle
37 Inlet
38 Hatter's plush pads
40 Simian
41 Brown's league
42 Hole
43 Broth to Burns
44 Striate anew
46 Feneed off
49 Indermineate
50 Stellar
51 Puella (diligent girls): Lat.
54 Interpolate
58 Mideast
59 Infect
62 Pintail duck
63 Pères' eldest daughter
64 "Les Troysens" role
65 Impudence
66 Hires
67 Slew
DOWN
1 Wits
2 Concerning
3 Mikita of hockey
4 Ruble
5 Thatched
6 Maritime org.
7 Softwood
8 Cheryl and Alan
9 Being
10 Ornamental clasp
11 Franciscans
12 Cousin of mist
13 Under covers
18 City with a bear pit
22 Attachments
24 Rostropovich's instrument
25 Groups of three
27 Icelandic coin
28 Artless
29 Red Cross volunteers
30 "You There!"
31 Plith helmet
32 Golfer Ed
33 Humber feeder
38 Kind of plastic
39 Wind dir.
43 Narrow pillow
45 Hardens
47 Blotter entries
48 Lang
49 Smallville
50 Osprey's abode
51 School term: Abbr.
52 Soprano Nevada
53 Culture medium
55 Lab burner
56 Marine hazard
57 Waste allowance
60 Hardening of "Holiday"
61 Still

PEANUTS



BLONDIE



BEEETLE BAILEY



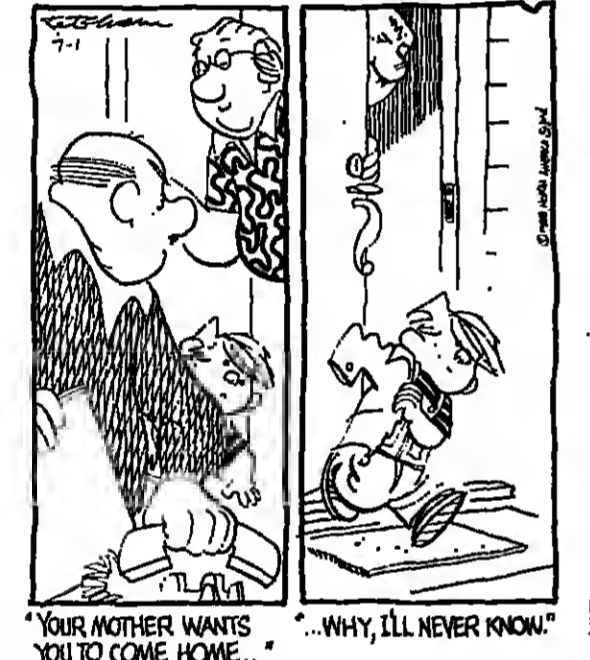
ANDY CAPP



WIZARD OF ID



DENNIS THE MENACE



REX MORGAN



GARFIELD



JUMBLE

A word puzzle section titled 'JUMBLE' with a grid and instructions to unscramble words. Includes sub-sections for 'KOESM', 'GRABE', and 'YATAPH'.

WEATHER

Weather forecast table with columns for Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania. Includes high/low temperatures and weather conditions.

World Stock Markets

World Stock Markets table showing closing prices in local currencies for June 30. Includes sections for Amsterdam, London, Frankfurt, Hong Kong, Milan, Madrid, Mexico, New York, and Tokyo.

BOOKS

THE PREDATORS' BALL: The Junk-Bond Raiders and the Man Who Staked Them

By Connie Bruck. 385 pages. \$19.95. The American Lawyer-Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by Christopher Lehmann-Haupt

The empire whose rise Connie Bruck so energetically describes in "The Predators' Ball" is based on the simple notion that in a diversified portfolio of low-grade, high-yield bonds, otherwise known as "junk" bonds, the reward outweighs the risk.

As Bruck, a reporter for The American Lawyer, reports: "This was a proven theory, well documented by academician W. Bradford Hickman in his enormous multivolume tome 'Corporate Bond Quality and Investor Experience,' published in the 'fifties.'"

Hickman, "after studying data on corporate bond performance from 1900 to 1943, had found that a low-grade bond portfolio, if very large, well diversified and held over a long period of time, was a higher-yielding investment than a high-grade portfolio. Although the low-grade portfolio suffered more defaults than the high-grade, the high yields that were realized over time more than compensated for the losses. Hickman's findings were updated by T.R. Atkinson in a study covering 1944-65. It was empirical fact: the reward outweighed the risk."

In the early 1970s, Michael Milken, a brilliant, driven young man from Los Angeles by way of the University of Pennsylvania's Wharton School, set about putting Hickman's theory into practice. Hired by the minor-league Wall Street firm that would eventually become Drexel Burnham Lambert, Milken took such an early bus to work that he had to wear a

miner's lamp to read by. He studied company prospectuses so assiduously that eventually whatever information on high-yield bonds he didn't know by heart would be at his fingertips in the data base of his computer.

Armed with this knowledge, not to speak of an extraordinary ability to read the market, Milken set out systematically but rapidly to build an empire. To oversimplify vastly what he did at Drexel Burnham: First, he made money just by investing in junk bonds. Then he made more money by underwriting junk-bond issues to finance companies that couldn't borrow conventionally. Then he made still more money by using junk bonds to enable small companies to take over large companies, whether or not these large companies wanted to be swallowed. By the mid-1980s, Milken and his associates had built Drexel Burnham into Wall Street's most powerful investment-banking firm.

In her book, Connie Bruck traces the rise of this empire with vivid metaphors and with a smooth command of high finance terminology, but with just a shade more detail about Drexel Burnham's dealings than the average reader may have the patience for.

But the more the unearthing about the Drexel Burnham story, the more she came to recognize what she perceived as the negative side of the takeover game—that it introduced "terror and mayhem into countless corporate boardrooms," that it caused "frightened managements to focus on short-term gains and elaborate takeover defenses rather than the research and development that make for sustained growth," that it caused "the loss of jobs, as companies were taken over and broken up." Moreover, in her view, Drexel Burnham played the game too roughly.

Unfortunately—whether or not these assertions are valid—Bruck does less well with the reaping of the whirlwind than she does with its sowing. During her investigation, two events occurred that, in her view, threatened Drexel Burnham's supremacy.

One event was Ivan Boesky's decision to cooperate with the government's investigation of insider trading on Wall Street, which in turn, writes Bruck, led the Securities and Exchange Commission to focus on Drexel Burnham. The other was the sharp stock market sell-off of last Oct. 19, which seemed about to knock the props out from under Milken's credit empire.

But by the end of Bruck's book, neither calamity had in fact occurred. What at Drexel Burnham had been indicated, and the value of its bonds was still intact.

So after coming in with a lion's roar, Bruck goes out with a sound of bleating. It remains for the future to tell us if the apothecosis of the junk-bond market has finally been good or bad for America. Meanwhile, Bruck appears to have rushed her book out before events have had a chance to catch up with her story.

Christopher Lehmann-Haupt is on the staff of The New York Times.

Solution to Previous Puzzle. A grid with words filled in: DRAMA, SPOT, OBOE, RIPPER, HALE, CARR, ACAMA, OYER, ELBA, WATERCOLOR, ASIS, ALTO, ORNATE, RIALTO, APRIL, ETNA, SODA, TITHE, PINKIES, IRANIAN, SNEER, TELE, ELKO, GALES, FARLES, CHEESE, CRES, NORM, SAURCHINS, OPTIE, TIPS, EADIE, KIEVER, ERES, NIJCE, ESSA, REDO, TREED.

BRIDGE

By Alan Truscott

A vexing theoretical bidding problem afflicts a player holding 8 or 9 points with three-card support for the partner's major suit following a take-out double. The diagrammed deal is an example. What should North do?

There is a wide variety of slightly unsatisfactory actions: pass, intending to raise spades later; one-no-trump, also intending to raise spades; two spades, an underbid since that bid can be very weak, or three spades, which suggests a four-card support. Some modern experts employ an artificial solution. They use a two-club bid artificially to show a sound three-card raise in the opener's major suit. But if this is not available, the three-spade jump raise in the opener's major suit in Florida is as good as anything.

South was Virginia Caulkins of Grosse Pointe

Woods, Mich. and she continued to game. The opening lead of the diamond king was won in the dummy, and a club was led to the king and ace. West sensed that a cross-ruff was coming, and made an imaginative shift to a trump. The sacrifice of the queen was more apparent than real, for South could not afford to draw trumps. South won in the dummy with the spade seven, ruffed a diamond and cashed the club queen. A club ruff and another diamond ruff led to this ending:

It would have been more interesting if West had discarded his diamond winner. South would then have had a choice of three winning endplays against West: lead a heart to the ace and play a heart, ending later with a heart; or leading a diamond, overruffing East, and eventually leading a low heart.

Bridge diagram showing a hand with cards: NORTH (AKQ, 10, 8, 5, 2), WEST (AK, 10, 8, 5, 2), SOUTH (AJ, 10, 8, 5, 2), EAST (AK, 10, 8, 5, 2).

Mets Rally



SCOREBOARD

Scoreboard table showing results for various sports including American League, National League, and Women's Singles. Includes team names, scores, and game details.

SPORTS

Mets Rally, Lengthen Lead Over Pirates

Compiled by Our Staff From Dispatches PITTSBURGH — Playing in front of possession-sized crowds at Three Rivers Stadium, the New York Mets gave a performance of championship caliber.

The Mets won twice in a series that drew a total attendance of 127,717, the highest ever for three games in Pittsburgh Pirate history. New York trailed 7-6 in the ninth inning Wednesday night, but Howard Johnson homered on a 1-2 pitch with two outs and the Mets went on to score in the top of the 11th and win 8-7.

BASEBALL ROUNDOFF

5 1/2 games over the Pirates in the National League East. "You can look back and say we were lucky, but I'd say it's talent and not panicking," said Johnson.

start the ninth. After Johnson's homer put New York back in the game, reliever Roger McDowell took over. The right-hander worked out of a base-loaded jam in the ninth; he also doubled off Bob Kipper in the 11th and raced home on Kevin McReynolds' single.

Haves hit consecutive run-scoring singles in the seventh to end the Cubs' four-game winning streak. Dodgers 2, Astros 0: In Houston, a two-hitter brought Orel Hershiser (12-3) his fifth straight victory and sixth complete game and second shutout of the season.

Evert: Real Drama, Sad Ending

By John Feinstein Washington Post Service

LONDON — One would think, after 78 tennis matches played around the globe, that it had all been done and all been seen. Chris Evert and Martina Navratilova have played every kind of match imaginable.

identical to a year ago. The winners were the same, the scores were similar and the tone of the matches almost eerily alike.

WIMBLEDON TENNIS

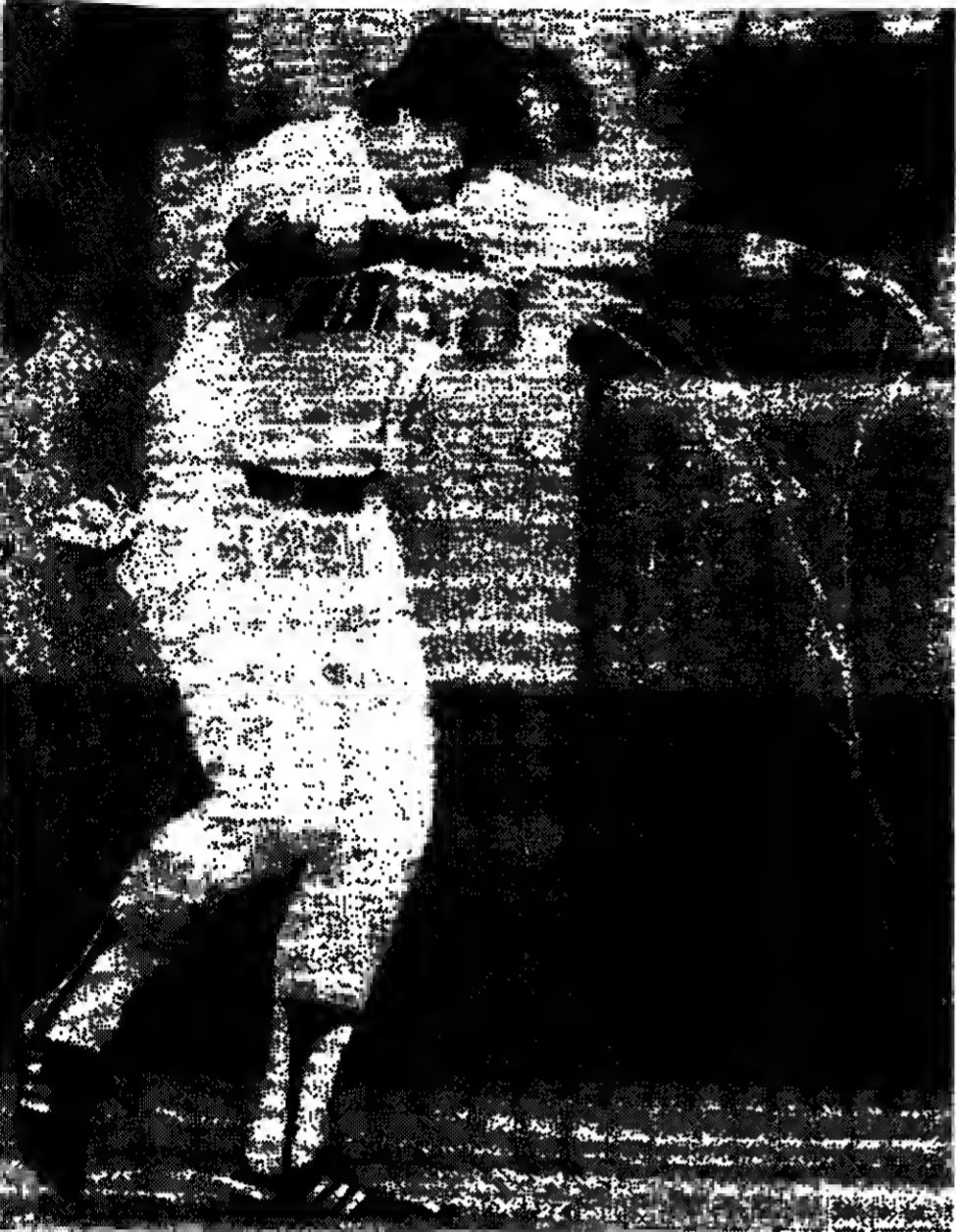
The only difference Thursday was the 70-minute rain delay midway through the second set.

on that one." Navratilova said. "But she got to it." That save made it 30-40. Evert reached deuce, which meant what might happen? The match, by this stage, had taken on that surreal nature that occasionally comes over Evert-Navratilova confrontations.

nally, he put his hand out to indicate the ball was wide. Navratilova leaped for joy. While Evert stood frozen on the baseline, chair umpire Richard Lumh finally, reluctantly it seemed, said: "The ball was called out." It was hardly said with authority and Evert remained on the baseline, hands on hips, disbelieving what she was seeing and hearing.



HAIR, FAREWELL: Martina Navratilova, left, a 6-1, 4-6, 7-5 winner, and Chris Evert, after the confrontation.



Minnesota's Kent Hrbek came out on the goopy end during a pregame egg toss Wednesday night in Anaheim, California. As a pinch hitter, Hrbek also went 0-for-1 in the Twins' 2-1 loss to the Angels.

SCOREBOARD

BASEBALL

Wednesday's Major League Line Scores

A detailed scoreboard listing baseball games across various leagues including American League, National League, and Women's League. It includes team names, scores, and inning-by-inning breakdowns for several games.

Mexico Gets 2-Year Soccer Ban

ZURICH — Mexico was banned from all international soccer competition Thursday, including this year's Olympic Games and the 1990 World Cup. FIFA, soccer's world governing body, imposed a two-year ban because a Mexican junior team used four players who were over the age limit in a recent world championship qualifying tournament.

VANTAGE POINT/Ira Berkow Just a Touch of Fear Itself

NEW YORK — An image of Michael Spinks remains in the mind well beyond the fight, well beyond the sight of his eyes rolling back in his head as he took his second and last tumble in the ring to conclude his evening's work in 91 seconds of Round 1 Monday night. The image that remains in memory occurred about 9:30 that night, inside Convention Hall in Atlantic City, New Jersey, about two hours before Spinks climbed into the ring to meet Iron Mike Tyson for the undisputed world heavyweight title.



Michael Spinks: Whistling through a graveyard.

U.S. Golf Courses Feel the Heat

NEW YORK — U.S. Golf courses, usually lush this time of year, are cracked and parched from June's drought and face more water cutbacks as the dryness persists. Officials of the Professional Golfers Association and Ladies Professional Golfers Association said four courses are holding up so far. It's the public courses that are hurting. "The type of courses we play are further along than the general public courses, so they are better able to withstand conditions like this when they come up," said Dave Lanzer, a PGA tour spokesman.

'It's extremely difficult to keep grass growing. Conditions are so bad we've begun to lose trees. That's very unusual.' Golfer Tom Watson was worried about the water, too, just before the start of play in the Western Open tournament in Oak Brook, Illinois.

Gerald Faubel, manager of golf course buildings and grounds at the Saginaw (Michigan) Country Club, said conditions are miserable. "Public courses here are just burnt up," he said. "They're in terrible shape. Many are just trying to save their greens. It's conditions like this when you find out just how good your water systems are."

Some regions of the nation were restricted water use on all but greens and tees as cities attempt to conserve water. "Anybody in this area who is on city water has had to cut back," Castagnoli said. "There are some people with irrigation systems or their own wells, and even they're starting to get concerned over how much water they have left."

